

Temporary Increase in 2021 Basic Allowance for Housing Rates

Frequently Asked Questions as of September 28, 2021

Q1. What MHAs are impacted by the temporary BAH increase?

A1. OSD has approved temporary BAH rate increases due to the COVID-19 pandemic for 56 MHAs, including Naval Air Station Lemoore, CA, Hampton/Newport News, VA, Naval Air Facility El Centro, CA, New London, CT and Bremerton, WA. The full list can be found at <https://www.mynavyhr.navy.mil/References/Pay-Benefits/N130C/>.

Q2. What are the eligibility criteria to qualify for the temporary BAH increase?

A2. Sailors must have a lease or mortgage, occupied and rented or owned by the Sailor and/or their dependents, dated on or after 13 March 2020, who can prove their housing expenses are higher than their current 2021 BAH entitlement because of the COVID-19 pandemic.

Q3: I transferred out of the MHA that was entitled to the temporary BAH increase. Do I get to keep the temporary BAH increase for the rest of the year?

A3: Depends. The termination date for your temporary BAH increase is the date you are no longer authorized BAH for that location. Once a member is approved for a higher BAH rate, their eligibility continues through December 31, 2021, unless a BAH status change occurs (e.g., promotion demotion, dependency change). Members experiencing a change in their BAH status will have to re-apply for the temporary BAH rate increase to determine whether they continue to meet the eligibility criteria.

Q4. What is the process for submitting a temporary BAH increase request?

A4. Sailors that meet the eligibility criteria must submit a request to their Commanding Officer/Officer-in-Charge, or the first O-5 immediate superior in charge, for approval. In instances where the CO or OIC is O-4 or below, requests will be forwarded to O-5 or above immediate superior in charge for approval. Endorsed requests will be submitted to their Personnel Support Detachment (PSD)/Transaction Support Center (TSC) for processing.

Q5. What are the effective dates of the BAH temporary increases?

A5. The temporary BAH rate increases are effective as of October 1, 2021 and will expire on December 31, 2021. These temporary rates will be replaced by the regular 2022 BAH rates using standard, annual rate-setting procedures. The 2022 rates will go into effect on January 1, 2022.

Q6. Will I be 'rate-protected' when the temporary BAH rates expire?

A6. No. BAH rate protection, which normally protects members from decreases in housing market costs, does not apply to the temporary rate increases. Therefore, members should not assume their temporarily increased BAH will continue into 2022.

Q7. If a Service member's housing costs in an affected MHA increased but they are still less than the member's BAH, is the member still eligible to apply?

A7. No. To be eligible for a temporary increase in BAH, a Service member's housing costs must exceed the BAH he/she receives based on a zip code in one of the affected MHAs, and the increased cost must be attributable to the circumstances attributable to the COVID-19 Pandemic.

Q8. Why is DoD authorizing a temporary increase in 2021 BAH rates for some Military Housing Areas (MHAs)?

A8. Rental housing market data collected by the Department of Defense from March-August 2021 indicates that the COVID-19 pandemic has had a significant impact on rental housing costs in the 56 affected MHAs. Notably, low availability and turnover of rental housing stock during the spring and summer months led to rental cost increases in many locations. To help ease the financial burden of rising housing costs facing Service members moving to new duty stations or signing new leases, the Department moved quickly to assess market changes across the country, assess which markets are most affected, and implement a temporary change in BAH rates in those areas. **The 56 affected MHAs list is final.**

Q9. Is there a process through which an MHA not included in the eligible 56 can request a reconsideration of the BAH increase?

A9. No. The Department of Defense is currently in the process of setting 2022 BAH rates, which will be effective January 1, 2022. The 2022 BAH rates will reflect rental market cost changes for each housing type individually based on its own data. **The 56 affected MHAs list is final.**

Q10. Whose name should be on the utilities statement in order to include utilities as an increased cost?

A10. The service member or military dependents as listed on the NAVPERS 1070/602 (page 2).

Q11. What are the eligibility criteria to qualify for the temporary BAH increase?

A11. Service members who are a) receiving BAH based on one of the affected 56 MHAs and b) have verifiable housing cost increases attributable to COVID-19-driven housing market effects may be eligible for the temporary BAH rate increase, subject to Service specific implementation guidelines and approval of individual applications.

Once a member is approved for a higher BAH rate, their eligibility continues through December 31, 2021, unless a BAH status change occurs (e.g., promotion, demotion, dependency change, location change). Members experiencing a change in their BAH status will have to re-apply for the temporary BAH rate increase to determine whether they continue to meet the eligibility criteria.

Q12. Can I use different month utility cost to combine to get a higher combined utility cost?

A12. The expenses used for the determination are to be from the same time period (i.e. you can't use an electricity expense from January and water expense from June).

Q13. Can I include my renters insurance as a housing expense to be included in the lease amount just like homeowners insurance for a mortgage?

A13. No. Renters insurance is not included in the BAH calculation when determining rates. For homeowners insurance, the landlord incurs all of these costs while providing a property for rent, and to the extent that the market allows, includes these costs when setting the rent.

Q14. Can I use a long term lease signed prior to 13 Mar 2020 as justification to receive the temporary BAH rate if the cost of the lease is higher than the current BAH rates?

A14. No. Members in long-term leases, where rental rates were established prior to 13 March 2020, or those members who established mortgage payment rates prior to 13 March 2020, are not authorized the temporary BAH rate increases. Consideration for increased utility cost will be determined on a case by case basis by OPNAV N130C.

Q15. Retroactivity. If I receive my housing expense bills in November for October can I get the temporary BAH rate for October and November?

A15. Assuming that the expenses occurred in October then the temporary BAH rate would be authorized for the rest of the FY. For example, if documentation of qualifying costs provided to the approving official in November 2021, for expenses covering October 2021, the member should be paid the higher rate for October.

Q16. How long will it take for the Services to process and approve applications?

A16. Application processing times may vary depending based on a member's individual application/circumstances. However, Navy is doing all they can to process applications as quickly as possible.

Q17. What is the latest date I can apply for the temporary BAH rate?

A17. Request should be endorsed and submitted no later than the middle of March as the CO's approval authority ends on March 31st, 2022.

Q18. Information I've read on this says the increases in BAH rates are only temporary, what does that mean?

A18. By law, the temporary increases in BAH rates will expire on December 31, 2021. They will be replaced by the regular 2022 BAH rates that will go into effect on the first of January. Because not all segments of a housing market increase or decrease at the same rate, the BAH rates for calendar year 2022 (effective as of the first of January), may differ from the temporarily increased 2021 rates. In some cases, 2022 BAH rates may be more than the temporarily increased 2021 BAH rates. In other cases, the 2022 BAH rates may be the same or may be less. BAH rate protection, which normally protects members from decreases in housing market costs, does not apply to temporary rate increases. Therefore, members should not assume these rate increases will continue into 2022.

Q19. Are Reserve Component members eligible to apply for the temporary increase?

A19. Yes. Reserve component members who receive BAH at the full locality rate based on the zip code in one of the affected MHAs may be eligible for the increased rates in the same way as their regular component counterparts.

Q20. What if a member PCS's into an area during the October – December timeframe. Does the member get the 2021 BAH rates or the temporarily higher BAH rates?

A20. Because the law requires a member assigned to one of the 56 affected MHAs to apply for the temporarily increased BAH rate, a member reporting to a new Permanent Duty Station (PDS) in one of the affected MHAs during October-December (the period when increased rates are in effect) will start off by receiving the 2021 BAH rate. However, if the member meets the eligibility requirements (e.g., has incurred a housing cost above his/her BAH rate attributable to the COVID-19 pandemic), he or she is free to immediately apply for the increased rate.

Q21. If a member PCS's into an area in August and is unable to find housing within the BAH rate and has to obtain housing at a higher rent than the 2021 BAH rate, does the member qualify for the temporarily higher BAH rates or just the 2021 BAH rates?

A21. If the member's verifiable increased of housing costs as outlined in the NAVADMIN 212/21 can be shown to be attributable to the COVID-19 pandemic, the member may qualify for the increased BAH rate.

Q22. I'm assigned overseas, am I eligible for an increase in my housing allowance? What about if I receive BAH based on my dependents location or my old duty station in one of the affected MHAs?

A22. The temporarily increased BAH apply only to Service members who received BAH based on one of the 56 affected MHAs in the United States. It does not apply to the Overseas Housing Allowance (OHA). However, if you are stationed overseas, but receive BAH based on the location of your dependents who reside in one of the affected MHAs, you may be eligible to receive the temporarily increased BAH rates as outlined in NAVADMIN 212/21.

Q23. What metric was used to determine the BAH increases?

A23. The Department relied upon verified, quality-controlled rental housing cost data collected in over 300 Military Housing Areas (MHAs) across the country during the period March - August 2021 (when housing markets are most active) to make its decisions about whether temporary increases were needed, and where to apply them. Data was collected in every MHA for each of six housing types (1 & 2-bedroom apartments; 2 & 3-bedroom townhomes; and, 3 & 4-bedroom single family homes). For each housing type, the Department used the median total housing cost data to calculate the average rate of increase across the medians of all six housing types to determine whether an MHA should be considered for a temporary BAH increase. The rental cost data (BAH rates are based on costs in the rental housing market; not the purchase market) was collected as part of the annual process the Department uses to set BAH rates each January. A copy of the BAH Primer, which provides additional detail on the BAH data collection and rate setting process, can be found online at <https://www.defensetravel.dod.mil/Docs/perdiem/BAH-Primer.pdf>.